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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

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C O N T E N T S

(Information as of noon EST, 30 November 1967)

Far East

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Military activity has slackened considerably in the central highlands after three weeks of fierce fighting around Dak To. Elsewhere, Communist forces in III Corps continue to menace allied positions, and numerous acts of harassment have occurred in the delta. In Saigon, there are indications that several key generals are dissatisfied with recent government policies and appointments.	5
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FAR EAST

Communist military activity in South Vietnam's western highlands declined last week following the fierce three-week battle at Dak To, but Communist forces maintained pressure on allied positions to cover the redeployment of North Vietnamese units involved in this action. Viet Cong attacks throughout the delta, as well as the aggressive Communist posture in II and III Corps areas, suggest, however, an intention to sustain a higher level of offensive action throughout South Vietnam.

The rivalry between President Thieu and Vice President Ky was manifested in private expressions of discontent with the new Saigon government by some senior military officers aligned with Ky. These officers reportedly believe that Ky's power position is deteriorating and that Thieu has reneged on his alleged promise that the military would continue to dominate the government. This dissatisfaction is confined to a small group of ranking officers and does not appear to pose a threat to the new government's stability at this stage.

Press reports of the discovery of a Viet Cong base on Cambodian territory prompted Prince Sihanouk to warn that the war may soon be extended into Cambodia. He repeated previous denials that there are permanent Communist facilities in Cambodia but conceded that his forces cannot prevent Communist units from passing through isolated border areas. Although Sihanouk is under some domestic pressure to adopt a more "neutral" course, there is no indication that he is prepared to press the Viet Cong to limit their presence in Cambodia.

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VIETNAM

The opening phase of the Communist "winter-spring" campaign in the western highlands has apparently ended following three weeks of heavy fighting near Dak To in southwestern Kontum Province. The final battle ended last weekend with the US seizure of Hill 875, the strategic high point some 14 miles southwest of the US base camp at Dak To.

Several small-scale engagements and the shelling of scattered allied positions early this week have covered the redeployments of the four North Vietnamese regiments involved in the Dak To fighting. The Communists may continue to follow their strategy of attacking and engaging allied forces and then withdrawing to previously prepared positions where they can concentrate maximum firepower and inflict heavy casualties on allied troops.

This pattern of activity, although extremely costly to the enemy, has nevertheless resulted in a high number of allied casualties. The Communists have also succeeded in drawing in and tying down large numbers of US combat and support troops from other areas of the country. These objectives have been spelled out in

captured enemy documents, suggesting that additional large-scale fighting may again erupt in the western highlands.

Enemy forces, meanwhile, are maintaining their aggressive posture in the northern portions of South Vietnam's III Corps area. During the past week, two Viet Cong (VC) regiments--the 272nd of the VC 9th Division and the 275th of the VC 5th Division--attacked allied outposts and Special Forces camps near Song Be in northern Phuoc Long Province. Elements of these regiments, together with the North Vietnamese 88th Regiment, will probably continue to harass remote allied positions, staging ambushes along several of the key highways, and possibly mounting another multibattalion assault in the Loc Ninh - Song Be area.

In southernmost IV Corps, the Viet Cong are continuing to demonstrate an ability to coordinate their harassment of allied installations. Administrative centers, outposts, bivouac areas, and airfields have been shelled and attacked. The recent increase in harassing tactics in the delta and elsewhere may be designed in part to shift attention from the main force units, many of which are recovering from severe losses.

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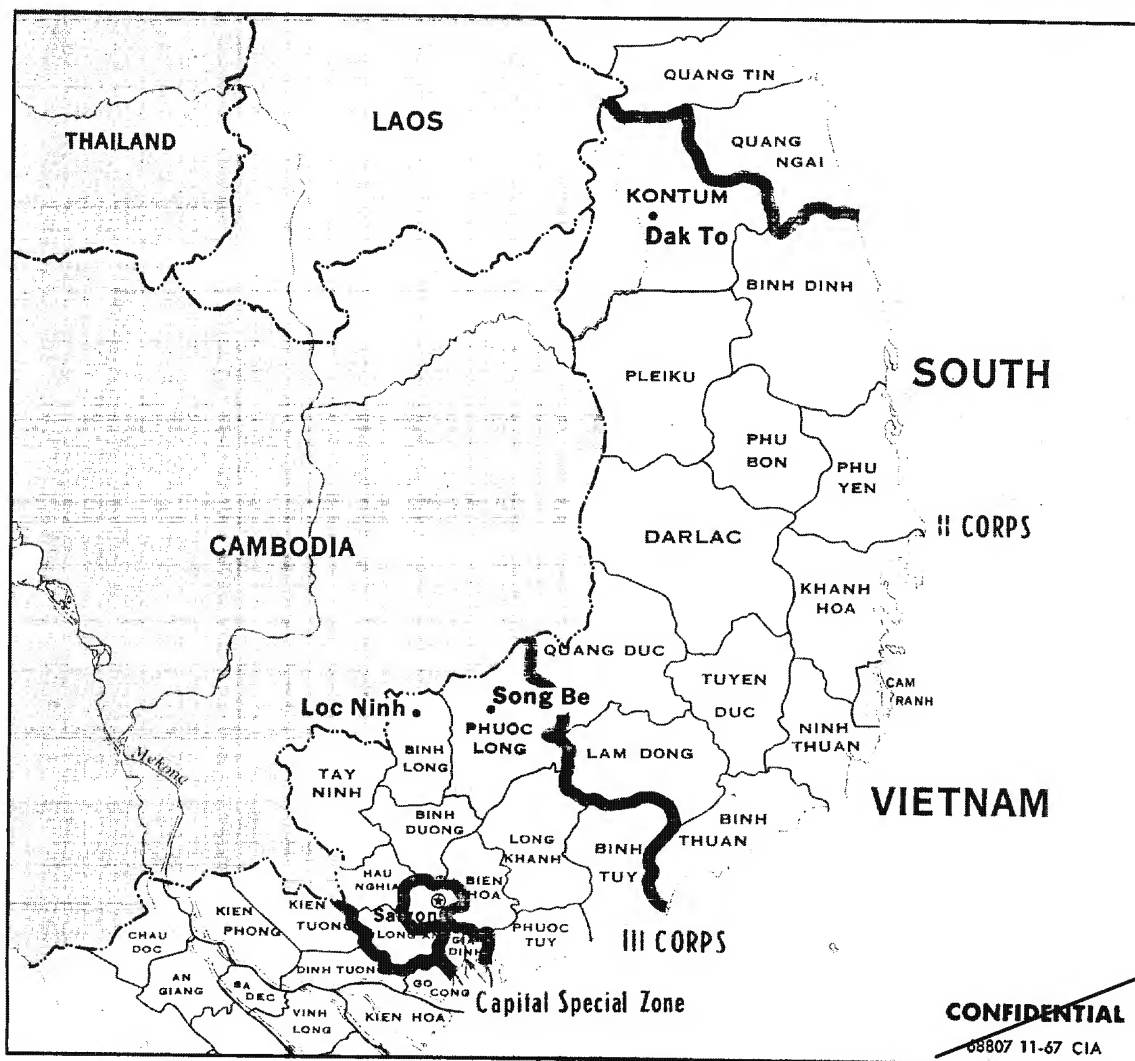
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Political Developments In South Vietnam

Several key generals are reported to be increasingly dissatisfied with the decisions and appointments of the new Saigon government. They are said to feel that Thieu has reneged on "assurances" that there would be no reduction in the military's behind-the-scenes control of the government.

Although there is undoubtedly a feeling of pique and frustration among some of the key generals, it does not appear likely that there will be mass resignations in the immediate future. 3.3(h)(2)

The concern of some of the military about the political

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situation is apparently linked to Police Director Nguyen Ngoc Loan's resignation, which he submitted on 24 November. Loan's desire to resign is ostensibly because of fatigue, but he admits privately that the primary reason is his reservation over certain government appointees--including Prime Minister Loc and secretary to the presidency Nguyen Van Huong--whom he believes have questionable and potentially subversive backgrounds. Apparently at Ky's request, Loan has agreed to stay for two or three months, however.

In the National Assembly, the Upper House has taken serious exception to the government's national mobilization decree. The senators are concerned about the constitutionality of the government's unilateral action in promulgating the decree before the investiture off the legislature. Substantively, the law has also come under fire because it lowers the draft age to 18. The Upper

House has agreed to call on Prime Minister Loc to appear before it to answer questions about the decree.

In the Lower House, meanwhile, a largely Catholic group of deputies calling themselves the Independence Group and a Buddhist-oriented body of representatives called the Progressive Bloc have agreed to enter into a limited working agreement. The objective of this 48-member alliance is to prevent the domination of the assembly by the pro-government Democratic Bloc, which reportedly has at least 50 members. The principal gainer in this new coalition seems to be the 15-member Progressive Bloc, which will acquire new stature by joining a group more than twice its size. Au Truong Thanh, the leftist-leaning former minister of economy, is also reported to be attempting to form a political bloc from among independents in the Lower House.

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CAMBODIA FEARS SPREAD OF VIETNAM WAR

Prince Sihanouk is voicing alarm that the war in South Vietnam may soon be extended into Cambodia.

He told a press conference in Phnom Penh on 26 November that the recent spate of US press reports on Vietnamese Communist activities in Cambodia are a form of pressure on the US Government to extend the war across the border. Sihanouk praised President Johnson for exercising restraint but went on to warn the Cambodian people that they must be prepared for a "struggle to the death against the Americans." Sihanouk reiterated that any US move across the border would force Cambodia to fight alongside the Viet Cong and the North Vietnamese.

Sihanouk also issued denials that there are permanent Communist facilities on Cambodian territory, although he went further than he has before by acknowledging that Communist units pass through isolated border areas. Sihanouk also admitted that Cambodia had made a "verbal agreement" to sell rice and other nonmilitary goods to the Viet Cong. This is the first explicit statement that such an agreement has been reached since mid-1965, when Sihanouk revealed that Cambodia had been asked by the Viet Cong to sell them rice.

Phnom Penh has, however, reiterated flat denials that Cam-

bodia is providing military supplies to the Communists or that such supplies are moving through the port of Sihanoukville. Sihanouk has taken the position, that, in contrast to other kinds of support, providing military supplies to the Communists would be in violation of Cambodia's neutrality.

Sihanouk's statements over the past week indicate that he intends to continue to portray Cambodia as the innocent victim of circumstances beyond its control. He has underlined this position by pointed references to the inability of the allied forces to control the South Vietnamese side of the border. At the same time, he has sought to demonstrate his good faith by renewing a standing request for an expanded International Control Commission (ICC) with permanent sites in border areas. Previous calls for an expanded ICC have foundered--as a result of Soviet and Indian foot-dragging.

Thus far, there are no indications that Sihanouk intends to bring increased pressure to bear on the Vietnamese Communists to limit their presence in Cambodia. Leading Cambodian civilian and military leaders, increasingly concerned that Sihanouk's policies will cause the war to spread to Cambodia, have long been urging him to follow a more "neutral" course. It seems unlikely, however, that he will be any more receptive to their counsel now than he has been in the past.

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